

Grants to Named Recipients

Department of Education & Early Development – Program 5

I. PROGRAM OBJECTIVES

Authorized under AS 37.05.316, these grants are made at the discretion of the Legislature. The grants are designated by the Legislature to be provided for a specific project or activity.

II. PROGRAM PROCEDURES

Following enactment of the authorizing legislation, the department shall promptly notify the recipient of the grant. The recipient is responsible for submitting a proposal to provide the object of the grant. The grant agreement must be executed within 60 days of the authorizing legislation unless the department determines not to make the award.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

If the grant is for a public works project the recipient must comply with AS 36.10.150 – 36.10.175 for hiring preferences. Beyond this, there are no specific regulations governing the administration of these grants. Compliance requirements and suggested audit procedures therefore must be based upon specific provisions of the grant agreement.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Grant Funds can be expended for the purpose in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedure

- Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the project, and are authorized or not prohibited under the grant agreement and applicable statutes or agreements.

B. ELIGIBILITY

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Any matching, level of effort and/or earmarking requirements will be identified and established in either the grant agreement or legislation.

Suggested Audit Procedures

- Review the grant agreement and legislation, identify any matching, level of effort, and/or earmarking requirements; and
- Verify that the requirements were met.

D. REPORTING REQUIREMENTS

Compliance Requirement

The results of operations of capital projects that extend over two or more fiscal years must be presented on a dual basis. In accordance with the codification of Governmental Accounting and Financial Reporting Standards 1300.113-.114, the statement of revenues, expenditures, and changes in fund balance must be presented for both the current year and on a cumulative basis since inception of the project.

Suggested Audit Procedure

- Verify that project expenditures are presented both for the current year and on a cumulative, inception to date, basis. Cumulative expenditures may be presented in a schedule to support the financial statements or in a special purpose report.

Compliance Requirement

The grant agreement will specify the reporting requirements.

Suggested Audit Procedures

- Review procedures for preparing required reports and evaluate adequacy;
- Review a sampling of reports for completeness of submission;
- Trace data in selected reports to the supporting documentation; and
- Evaluate adjustments, if any, for propriety.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The grant agreement often contains specific provisions to which the grantee is to adhere.

Suggested Audit Procedures

- Review the grant agreement;
- Identify any special provisions or requirements; and
- Verify that the requirements were met.

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